



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MAY 27 1998

George Schiavone, Treasurer
Vermont Republican Federal
Elections Committee
P.O. Box 70
Montpelier, VT 05602

Identification Number: C00035618

Reference: April Quarterly Report (1/1/98-3/31/98)

Dear Mr. Schiavone:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses receipts totalling \$8,241 from the Vermont Republican Fall Dinner '97, which is a joint fundraising committee(s) affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser(s). The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(c)(8)(i)(B)

-Schedule H4 discloses disbursements for MR '97 and Poll '97 which are categorized as fundraising; however, Schedule H2 does not include the allocation ratios for this activity. Please amend Schedule H2 to disclose the omitted ratios.

-On Schedule H3 supporting Line 18 of the Detailed Summary Page, Lines i), ii)e), and iii)e) for the transfer-in from the Non-Federal account do not add up to the 3/25/98, \$5,412.00. Please amend your report to correct this discrepancy. 11 CFR §104.10

-Schedule H4 discloses 100% federal activity. Please be advised that by definition, this activity does not qualify as a shared expense to be allocated between your federal and non-federal account. This activity should be itemized on a Schedule B for Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for any portion of this activity is not permissible and must be returned. Please amend your report to clarify this discrepancy.

-On Schedule H2 of your report you disclose the ratios for SH1, SH2 and LD98 to be 87%, 97% and 67% FEDERAL respectively. However, your Schedule H4 calculations reflect the ratios to be 100% FEDERAL for all activities. Please amend your report to clarify this discrepancy.

Please note that if your non-federal account has overpaid your federal account because of this miscalculation, it will be necessary to immediately transfer these funds back to the non-federal account. While the Commission may take further legal action concerning any impermissible overpayments by the non-federal account, your prompt action will be taken into consideration.

-Schedule H4 supporting Line 21(a) of the Detailed Summary Page discloses an adjusted ratio which increases the federal portion of an allocable expense. The adjusted ratio requires the Federal Account to make a transfer to the Non-Federal account to reimburse the percentage overpaid by the Non-Federal account. Schedule H4, therefore, should disclose this transfer as a 100% Federal expense. Refer to the enclosed sample of properly reported ratio adjustments. Please clarify the ratio adjustments for MR '97 and Poll '97

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,



Melissa Hurd
Reports Analyst
Reports Analysis Division

ADJUSTED RATIO: FEDERAL PERCENTAGE INCREASED (H2)

SCHEDULE H2 (Revised 1/1/91)		ALLOCATION RATIOS		PAGE 1 OF 1
NAME OF COMMITTEE Loyalist State Party Committee				
ALLOCATION RATIOS FOR INDIVIDUAL FUNDRAISING EVENTS, EXEMPT ACTIVITIES, AND SHARED DIRECT CANDIDATE SUPPORT APPEARING ON THIS REPORT. Methods of Allocation: 1. FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.				
NAME OF ACTIVITY OR EVENT King's Ransom (event date 8/31/98)		FEDERAL % 80%	NON-FEDERAL % 20%	
ACTIVITY IS: <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input type="checkbox"/> SHARED CANDIDATE SUPPORT CHECK IF THE RATIO IS: <input type="checkbox"/> NEW <input checked="" type="checkbox"/> REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED				

The "Revised" box is checked because the original ratio (50/50) had to be adjusted. The adjustment increases the federal portion by 10 percent. The federal account must therefore make a transfer to the nonfederal account to reimburse the 10 percent overpaid by the nonfederal account.

FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4 (Revised 1/1/91)		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1 FOR LINE 21a
NAME OF COMMITTEE Loyalist State Party Committee				
A. FULL NAME, MAILING ADDRESS & ZIP CODE State Party Committee/ Nonfederal Account 445 Democracy Blvd. City, State ZIP	PURPOSE/Event King's Ransom ratio adjustment (event date 8/31/98)	DATE 8/31/98	TOTAL RECEIVED \$700.00	FEDERAL SHARE \$700.00
CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/OTHER <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT OTHER TRANSFERS: <input type="checkbox"/> <input type="checkbox"/> DIRECT CANDIDATE SUPPORT				NON-FEDERAL SHARE 0

The adjusted ratio requires the federal account to transfer to the nonfederal account 10 percent (or \$700) of "King's Ransom" payments (which totaled \$7,000). Note that the "Event Year-to-Date" total is left blank when disclosing a federal transfer.

Adjusted Ratio (H2)

Within 60 days after the last day of the program or event, the committee needs to adjust the allocation ratio to reflect the actual ratio of federal receipts to total receipts. The committee reports the adjusted ratio on Schedule H2. Note that the committee must disclose the date of a fundraising program or event when reporting an adjustment to the ratio.

(Further ratio adjustments will be necessary if additional receipts come in.)

Federal Transfer (H4)

If the adjusted ratio increases the federal portion, the federal (or allocation) account must make a transfer to the nonfederal account for the nonfederal overpayment. Again, the transfer must be made within 60 days after the close of the program or event. The date of the program or event must be noted when reporting a transfer based on an adjusted ratio.

Adjusted Ratio (H2) Nonfederal Transfer (H3)

If the adjusted ratio increases the nonfederal portion, the nonfederal account may transfer the additional amount to the federal account if it does so within 60 days after the date of the event. Nonfederal transfers are itemized on Schedule H3. The date of the program or event must be noted when reporting a ratio adjustment or a corrective transfer.

ADJUSTED RATIO: NONFEDERAL PERCENTAGE INCREASED (H2)

SCHEDULE H2 (Release 1/8/91)		ALLOCATION RATIOS	
		PAGE 1	OF 1
NAME OF COMMITTEE Loyalist State Party Committee			
ALLOCATION RATIO FOR INDIVIDUAL FUNDRAISING EVENTS, EXEMPT ACTIVITIES, AND SHARED DIRECT CANDIDATE SUPPORT APPEARING ON THIS REPORT.			
Methods of allocation:			
1. FUNDRAISING activities are allocated using the "funds received method" where the federal proportion of expenses must equal the federal proportion of monies raised.			
NAME OF ACTIVITY OR EVENT King's Ransom (event date 8/31/98)		FEDERAL % 40%	NON-FEDERAL % 60%
ACTIVITY IS: <input checked="" type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT <input type="checkbox"/> DIRECT CANDIDATE SUPPORT			
CHECK IF THE RATIO IS: <input type="checkbox"/> NEW <input type="checkbox"/> IF REVISED <input type="checkbox"/> SAME AS PREVIOUSLY REPORTED			

In this example, the adjusted ratio increases the nonfederal portion by 10 percent. The nonfederal account may therefore transfer \$700 (10 percent of "King's Ransom" payments) to the federal account, but no later than 60 days after the last day of the fundraising event or project.

NONFEDERAL TRANSFER (H3)

RECEIPT SCHEDULE H3 (Release 1/8/91)		TRANSFERS FROM NON-FEDERAL ACCOUNTS	
		PAGE 1	OF 3
		FOR LINE 18	
NAME OF COMMITTEE Loyalist State Party Committee		TOTAL AMOUNT TRANSFERRED	
NAME OF ACCOUNT Nonfederal Account		DATE OF RECEIPT 8/31/98	\$700.00
	BREAKDOWN OF TRANSFER RECEIVED		
	ADMINISTRATIVE DRIVE AMOUNT	DIRECT FUND-RAISING AMOUNT	EXEMPT ACTIVITIES AND DIRECT CANDIDATE SUPPORT
1. Total Administrative Drive			
2. Direct Fundraising (List Event Amount for 8/31/98)			
a. King's Ransom		\$700.00	
b. (event date 8/31/98)			
3.			
4.			

This example shows the corrective nonfederal transfer reflecting the adjusted ratio disclosed on Schedule H2 (above).



